

## MEMO

**To:** ABAG Executive Board  
**From:** Paul Fassinger, ABAG Research Director  
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**Date:** May 1, 2008  
**Subject:** Projections 2009: Performance Targets

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### Summary

On March 20<sup>th</sup>, the Executive Board adopted a set of draft performance targets for use in developing the land-use policy assumptions in ABAG's bi-annual forecast of population, job and household growth. The targets align with those used in the regional transportation plan update, with the region's policy objectives and the State's climate change goals, including Assembly Bill 32. Since February, staff has been conducting local government outreach on the idea of performance targets. In this report, we summarize the lessons learned from that outreach. We also offer recommendations for the Executive Board's consideration.

### Invaluable Outreach

Staff first presented the idea of using performance targets to develop the land-use policy assumptions in *Projections 2009* to the Joint Policy Committee in January 2008. Targets could elevate the dialogue about land use and its role in meeting regional and state objectives, including climate change. Targets could also provide transparency in the development of the land-use assumptions used in the region's forecasts. If performance targets are adopted, scenarios would be constructed to show a variety of household and job growth patterns. The scenarios would be tested against the targets to see how well they "perform".

In response to this proposal, JPC members suggested staff seek input from Bay Area elected officials and local planning staff. Staff has since held 12 county-wide meetings throughout the nine-county Bay Area, each hosted by at least two elected officials. These meetings have been exclusively targeted to elected officials and senior city/county planning staff, rather than the general public.

All meetings began with staff making a 10-minute, context-setting presentation. We offered background information about the land use, transportation, climate change connection and the region's policy-based projections. We then presented the idea of performance targets and how they may be useful in conveying our regional and climate change challenges, especially in relation to land use. Ted Droettboom, the JPC Regional Planning Program Director, then facilitated a dialogue on the issue.

Attendees generally supported the idea of targets, though some concerns were also expressed. Below is a summary of what we learned from our conversations with local governments about performance targets. This summary is drawn from the direct or indirect questions asked or comments made during the meetings. Remembering these lessons will prove invaluable as we move forward.

### Manage Expectations

Our outreach to local governments revealed and may have even created heightened expectations of what could be accomplished through performance targets. To prevent a situation where staff feels overwhelmed

and where people feel unheard, confused or frustrated by what feels to be dismissive treatment of their input, it is imperative that we better manage expectations. This is done by more fully describing what targets are, how they will be used, and their limitations.

Performance targets are quantitative representations of the level and timing of results which we hope to achieve through a plan or program. Targets can also be used to comparatively assess actual achievements. Targets need not be constrained by reality. They can be stretch objectives which are desirable for identified reasons, but for which we acknowledge the difficulty of actually reaching.

Staff recommends that performance targets be used in the *Projections 2009* development process to identify environmental, land-use and transportation related regional objectives. Staff would develop alternative scenarios, each with varying assumptions and test them via sensitivity analysis through the region's land use and transportation models.

The alternative land-use scenarios are based on "inputs" or assumptions that go into the models. Other inputs include economic and demographic data, transportation infrastructure, transportation costs, and mode choice or travel behavior. Using these assumptions, the model projects a series of impacts for our the land use, transportation and air quality metrics. These metrics are "outputs" of the models, and include: congestion, vehicle miles traveled, access to jobs and other land uses, carbon emissions and particulate matter. The assumptions that go into the models, including the land use assumptions, can be altered to ascertain the effect on these metrics.

The land use and transportation models are the only tools we currently have to determine future consequences of a projected land-use pattern. Therefore, the models set real limitations on which targets can be selected for use in sensitivity analysis. To address other metrics that cannot currently be modeled, those of interest to both regional and local policy makers, staff suggests creating a comprehensive "regional progress report." This report would be used to track progress toward a more complete set of regional metrics. This may include school impacts, water consumption, housing affordability, energy use, as well as others.

Staff proposes developing a full set of metrics to be brought back to the Board for their consideration. Once the list of metrics is finalized, staff will monitor these metrics in a "regional progress report."

### **There's No Silver Bullet**

If the region is to make any measurable progress toward meeting the proposed targets, including reducing transportation-related green house gases, a multi-faceted approach will be required. Transportation infrastructure, transportation pricing, technology, behavioral changes, and alternative land use strategies will all be required. Through the Regional Transportation Plan, regional agency staff is developing a transportation infrastructure investment package that moves us closer toward the targets. Regional policy-makers are also exploring transportation pricing policy options. Policy-based projections, i.e. *Projections 2009*, and the FOCUS program are clear opportunities to pursue a climate-friendly regional land-use strategy. In doing so, we must clearly convey to local governments that land use alone, no matter how aggressive, will not achieve the targets. Land use is necessary, but not sufficient. The region will need to collectively pursue all strategies in a multi-faceted approach if it seriously intends to meet AB32-related targets.

### **Targets, not Mandates**

Local governments clearly do not welcome state or regional land-use mandates. In our outreach meetings, we have conveyed that performance targets would only be used to better inform local and regional land-

use decision making. The targets would be used to test alternative land-use scenarios. These alternative scenarios would be reviewed thoroughly by local governments. Ideally, this review could elevate the dialogue about land use in this region, for targets could better convey, both at the local and regional level, the individual and collective impacts of our land-use decisions. Through the *Projections 2009* process, we will work with local governments to arrive at a preferred regional land-use scenario, one that is responsive to their local issues, as well as regional, state and global environmental objectives.

### **Land Use Dialogue is Crucial**

Our willingness to openly discuss land use has been well received by local governments. Most local governments recognize that the regional/local land use conversations needs to happen because of the crucial role land use plays in our region-wide green house gas emissions. In fact, the Land Use Subgroup of Climate Action Team (LUSCAT), the committee charged with recommending AB32 implementation strategies to the California Air Resources Board (ARB), has recommended that regional transportation/land use carbon emission targets be established. These targets would determined by each region through the development of an alternative land-use scenario – one that would be effective in reducing region-wide carbon emissions.

Nearly every community, from San Francisco to Sebastopol, has thanked us for taking on the challenge in relaying this important message. Staff has been asked to communicate the land use/transportation/climate change message at several individual council meetings. Staff intends to meet as many of these requests as feasibly possible, considering time and staff resource limitations.

### **Change is Inevitable**

By 2035, an additional 2 million people and 1.8 million jobs will be in the Bay Area. If we are to house all our workers and newly formed households within this region, rather than in communities adjacent to this region resulting in more long-distance inter-regional commuting, than the Bay Area will need nearly 700,000 new housing units. Understanding the components of growth, i.e. births and new jobs, would go a long way to dispelling the myth that if we simply don't plan or build housing than we will stop growing.

Population growth occurs due to two primary reasons. The first is natural increase—the number of births minus deaths in the region. Typically, in a given year 40-50,000 more people are born than die in the Bay Area. This creates a net-increase in the Bay Area's "natural" population. The second cause of population growth is in-migration. People move to the Bay Area for economic opportunities. Continued natural increase and economic development means continued Bay Area population growth. The question, therefore, isn't will we grow, but rather: Can we agree to grow in a way that also meets our regional transportation and environmental objectives?

### **Everyone Loves a Good (Solved!) Mystery**

Appreciation for our willingness to open up the projections black box, to be more transparent, was universal. Many people agreed that targets and a more comprehensive local review of draft projections data would help in increasing transparency and understanding of the projections development process. Local governments clearly want more understanding of both the model and policy-component of projections. They especially want to know how regional policy-objectives may result in job and housing numbers that may differ from their local plans.

Local governments often ask about the accuracy of projections. Past forecasts have typically been within 5 percent of actual population, household and job estimates, at the county level. Conveying to local governments our track record on the accuracy of the regional land-use forecast, in the short-term, may be

helpful. However, policy-based projections are not meant to be “accurate” in the long-term, they are intended to push the region toward specific growth policies. Furthermore, there is no measure to determine the accuracy of projections, in the latter years, against local plans. Many local plans in the Bay Area do not go out to 2035, they typically extend to 2015 or 2020. The policy land-use assumptions in *Projections* have their greatest effect in the latter years of the forecast. The lack of local data available in the later years, and because most general plans will be updated, perhaps several times, before 2035, staff intentionally puts regional policy assumptions into effect in the latter years of the forecast. This allows for the most opportunity for them to be realized; for regional land-use policy assumptions in the forecast, and therefore the forecast itself, will only prove accurate if supporting local land use policies are pursued by local governments. Conveying this message to local governments will be a crucial part of the *Projections 2009* process.

### **Staff Recommendations**

Staff recommendations are largely based on the above summarized lessons. Staff recommends:

1. That the Executive Board adopt a revised set of regional performance targets. These targets would be used by staff in developing and testing the land-use policy assumptions for *Projections 2009*. Staff recommends only these targets because they can be modeled via the regional land use/transportation model.

#### **Economy: Congestion**

- Reduce person hours of delay by 20 percent below today’s levels by 2035

#### **Environment: Carbon Dioxide (CO2) and Particulate Matter (PM) Emissions**

- Reduce CO2 emissions by 40 percent below 1990 levels by 2035
- Reduce PM2.5 emissions by 10 percent below today’s levels by 2035
- Reduce emissions of coarser particulate matter (PM10) by 45 percent under today’s levels by 2035

#### **Environment: Vehicle Miles Traveled (VMT)**

- Reduce VMT per capita by 10 percent compared to today by 2035

#### **Environment: Land Consumption**

- Limit regional greenfield development to 900 acres per year

#### **Equity: Affordability & Access**

- Increase non-automobile dependent access to jobs and essential services by 20 percent compared to today by 2035

2. That the Executive Board direct staff to develop and test alternative land-use policy assumptions through scenarios via the region’s land-use and transportation models. The scenarios will reveal the efficacy of the alternative land use assumptions against each of the targets. Further, that the Board direct staff to vet the results of the sensitivity analysis through local governments and stakeholder groups before bringing the analyses back to the Board for their consideration.
3. That the Executive Board direct staff to identify and monitor regional policy-based metrics that can not be forecasted through the current regional land-use or transportation models. This would be done through a periodic Regional Progress Report. For these metrics, regional “goals” could be set. Progress towards goals could be tracked on an annual or biannual basis. Metrics could

include: housing and transportation costs, water consumption, energy use, as well as others relevant to regional policies and as identified by Board members. If directed by the Board, staff would bring draft metrics to the Board at a future meeting for their consideration.

### **Next Steps: Schedule**

If directed by the Board, staff will proceed with developing alternative land-use scenarios, each with varying land use assumptions. Staff will test these scenarios to determine how well they perform against the targets. Staff will then vet the alternative assumptions and their impact on the targets through local governments, and stakeholder groups. Draft scenarios will also be brought before both the Joint Policy Committee and ABAG's Executive Board. Feedback from the local government and stakeholder review will also be brought back to the JPC and Executive Board. One alternative would brought to the Executive Board for its approval as *Projections 2009*.

### **DRAFT SCHEDULE**

#### *April/May*

Complete Targets Outreach  
Final Targets, May Executive Board

#### *June/July*

Draft Projections 2009 - possibly at census tract level  
Draft Alternative Land Use Assumptions & Scenarios  
July ABAG Board & JPC: Review of Alternative Land Use Assumptions/Scenarios

#### *August/September*

Round 1: Local Review of Alternative Land Use Assumptions/Scenarios  
Round 1: Stakeholder Review of Alternative Land Use Assumptions/Scenarios  
Revise Land Use Assumptions/Scenarios based on Local/Stakeholder Review  
September Executive Board & JPC: Local Review Progress Report & Revised Assumptions/Scenarios

#### *October/November*

Round 2: Local Review of Alternative Land Use Assumptions/Scenarios  
Round 2: Stakeholder Review of Alternative Land Use Assumptions/Scenarios  
Develop Staff Recommendation of Draft Alternative Land Use Assumptions/Scenario  
November JPC: Review Draft Alternative Land Use Assumptions/Scenario  
November Executive Board: Consideration of Draft Alternative Land Use Assumptions/Scenario

#### *December/January/February*

Develop Staff Recommendation: Final Alternative Scenario as Projections 2009  
January JPC: Present Board Recommended Final Alternative Scenario  
January Executive Board: Consider Adoption of Final Alternative Scenario as Projections 2009  
Produce Projections 2009 Document